

Core Business Process V– Repayment and Collection Process

Risk Mitigation and Contingency Options Matrix

Debt Collection Services

Minimum Acceptable Level of Service:

2 Days

Decomposition of Sub-Process: Accounts Receivable / Booking – Accounts are initially set up in the system.								
Core Business Process: Repayment and Collection								
Scenario Section				Business Priority Section			Possible Options	
Failure Source	Threat/Failure Scenario	Impact/End Result	Earliest Failure Date	Impact Rating	Priority Rating	Risk Rating	Risk Mitigation Options	High-Level Contingency Options
DCS Core Processing	New accounts cannot be added to DCS processes.	No additional accounts can be added until the contingency or mitigation strategy is employed.	1/3/2000	High	Low	Med	To mitigate the risk that new accounts cannot be added, ED would assure that the most current information is available prior to 1/1/2000.	In the case that new accounts cannot be added, ED would allow outside collection agencies to set up accounts and work them independently.

Core Business Process V – Repayment and Collection Process

Risk Mitigation and Contingency Options Matrix

Debt Collection Services

Minimum Acceptable Level of Service:

5 Days

Decomposition of Sub-Process: Billing – Bills are produced and sent to borrowers.				Core Business Process: Repayment and Collection				
Scenario Section				Business Priority Section			Possible Options	
Failure Source	Threat/Failure Scenario	Impact/End Result	Earliest Failure Date	Impact Rating	Priority Rating	Risk Rating	Risk Mitigation Options	High-Level Contingency Options
DCS Core Processing	Billing of accounts fails.	As well as billing customers, the billing process accrues interest when run.	1/3/2000	High	Low	Med	To mitigate the risk that the billing of accounts fails, ED would assure that the most current information is available prior to 1/1/2000.	In the case that the billing process fails, ED would allow outside collection agencies to set up and bill accounts until the DCS outage is over.

Core Business Process V – Repayment and Collection Process**Risk Mitigation and Contingency Options Matrix****Debt Collection Services****Minimum Acceptable Level of Service:**

2 Days

Decomposition of Sub-Process:				Payment Processing – Payments are received and posted to accounts.				
Core Business Process:				Repayment and Collection				
Scenario Section				Business Priority Section			Possible Options	
Failure Source	Threat/Failure Scenario	Impact/End Result	Earliest Failure Date	Impact Priority Rating	Risk Rating		Risk Mitigation Options	High-Level Contingency Options
DCS Core Processing	Payment processing fails.	If payment processing fails, payments cannot be deposited and credited against the borrower's account.	1/3/2000	High	Low	Med	To mitigate the risk that payment processing fails, ED would assure that the most current information is available prior to 1/1/2000.	In the case that payment processing fails, ED would allow outside collection agencies to receive payments until the DCS outage is over.

Core Business Process V – Repayment and Collection Process

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Debt Collection Services

Minimum Acceptable Level of Service:

1 Day

Decomposition of Sub-Process:				Account Maintenance - Information about the borrower, the balance of the account, and the status of the loan is maintained.				
Core Business Process:				Repayment and Collection				
Scenario Section				Business Priority Section			Possible Options	
Failure Source	Threat/Failure Scenario	Impact/End Result	Earliest Failure Date	Impact Priority Rating Rating	Risk Rating		Risk Mitigation Options	High-Level Contingency Options
DCS Core Processing	The ability to maintain current information on a borrower fails.	Current borrower information and account activities will not be available. Old information will not be updated.	1/3/2000	High	Low	Med	To mitigate the risk that account data cannot be maintained, ED would assure that the most current information is available prior to 1/1/2000.	In the case that account data cannot be maintained, ED would have outside collection agencies work the accounts independently until the outage is over.

Core Business Process V – Repayment and Collection Process

Risk Mitigation and Contingency Options Matrix

Debt Collection Services

Minimum Acceptable Level of Service:

0 Day

Decomposition of Sub-Process:				Borrower Contact – Contact with the borrower is maintained.				
Core Business Process:				Repayment and Collection				
Scenario Section				Business Priority Section			Possible Options	
Failure Source	Threat/Failure Scenario	Impact/End Result	Earliest Failure Date	Impact Rating	Risk Rating		Risk Mitigation Options	High-Level Contingency Options
DCS Core Processing	The ability to contact or be contacted by the borrower fails.	Information critical to making and receiving payments will not be available to the borrower.	1/3/2000	High	Low	Med	To mitigate the risk that contact with the borrower cannot be maintained, ED would assure that the most current information is available prior to 1/1/2000.	<p>In the case that contact with the borrower cannot be maintained, ED would place all accounts with outside collection agencies and have them work the accounts independently until the outage is over.</p> <p>ED would make a snapshot of the database before 1/1/2000 and use the information to inform the borrowers.</p>

Core Business Process V – Repayment and Collection Process**Risk Mitigation and Contingency Options Matrix****Debt Collection Services****Minimum Acceptable Level of Service:**

30 Days

Decomposition of Sub-Process:				Credit Bureau – Data is transmitted from national credit bureaus to reflect the balance of the borrower's account.				
Core Business Process:				Repayment and Collection				
Scenario Section				Business Priority Section			Possible Options	
Failure Source	Threat/Failure Scenario	Impact/End Result	Earliest Failure Date	Impact Rating	Priority Rating	Risk Rating	Risk Mitigation Options	High-Level Contingency Options
Credit Bureau	The ability to report to credit bureaus fails.	The ability to reflect information from national credit bureaus regarding debt and the satisfaction of debt will be lost.	1/3/2000	Low	Low	Low	To mitigate the risk that debt information cannot be received from national credit bureaus, ED would use manual workarounds.	In the case that debt information cannot be received from credit bureaus, ED would generate and submit paper reports.

Core Business Process V – Repayment and Collection Process**Risk Mitigation and Contingency Options Matrix****Debt Collection Services****Minimum Acceptable Level of Service:**

5 Days

Decomposition of Sub-Process:				Administrative Wage Garnishment (AWG) to employers - Information is provided to instruct employers to garnish wages based on the delinquent balance owed to the government.				
Core Business Process:				Repayment and Collection				
Scenario Section				Business Priority Section			Possible Options	
Failure Source	Threat/Failure Scenario	Impact/End Result	Earliest Failure Date	Impact Priority Rating Rating	Risk Rating		Risk Mitigation Options	High-Level Contingency Options
External entities	The ability to inform employers of their requirement to garnish wages will fail.	The ability to inform employers of their requirement to garnish wages and to cease garnishment will be lost.	1/3/2000	Low	Low	Low	To mitigate the risk that wage garnishment instructions cannot be sent to employers, ED would use manual workarounds.	In the case that wage garnishment instructions cannot be sent to employers, ED would generate and submit paper reports.

Core Business Process V – Repayment and Collection Process

Risk Mitigation and Contingency Options Matrix

Debt Collection Services

Minimum Acceptable Level of Service:

30 Days

Decomposition of Sub-Process:				Direct Loan Servicing System interface – Information on borrower's eligibility status for rehabilitation is transmitted.				
Core Business Process:				Repayment and Collection				
Scenario Section				Business Priority Section			Possible Options	
Failure Source	Threat/Failure Scenario	Impact/End Result	Earliest Failure Date	Impact Priority Rating	Risk Rating		Risk Mitigation Options	High-Level Contingency Options
DLSS	The ability to return rehabilitated borrowers fails.	Borrowers eligible for rehabilitation will not be sent back to Direct Loan Servicing.	1/3/2000	High	Low	Med	None.	In the case that rehabilitation information cannot be transmitted, ED would continue to work accounts. Reporting to outside entities will reflect rehabilitation status.

Core Business Process V – Repayment and Collection Process

Risk Mitigation and Contingency Options Matrix

Debt Collection Services

Minimum Acceptable Level of Service:

30 Days

Decomposition of Sub-Process: Housing and Urban Development (HUD) – Information on federal and delinquent debts is submitted.				Core Business Process: Repayment and Collection				
Scenario Section				Business Priority Section			Possible Options	
Failure Source	Threat/Failure Scenario	Impact/End Result	Earliest Failure Date	Impact Rating	Priority Rating	Risk Rating	Risk Mitigation Options	High-Level Contingency Options
HUD	Reporting of federal debt fails.	The reporting mechanism for federal debts is through HUD. If this fails, the debt will not be properly reflected.	1/3/2000	High	Low	Med	<p>To mitigate the risk that debt information cannot be submitted, ED would assure that the latest information prior to 1/1/2000 is transmitted to HUD before the new year.</p> <p>Note the tape is cumulative, so failure recovery will be accomplished with the first file after the outage.</p>	None.

Core Business Process V – Repayment and Collection Process

Risk Mitigation and Contingency Options Matrix

Debt Collection Services

Minimum Acceptable Level of Service:

15 Days

Decomposition of Sub-Process:				Income Contingent Repayment (ICR) – Income information for ICR is requested from treasury.				
Core Business Process:				Repayment and Collection				
Scenario Section				Business Priority Section			Possible Options	
Failure Source	Threat/Failure Scenario	Impact/End Result	Earliest Failure Date	Impact Priority Rating	Risk Rating		Risk Mitigation Options	High-Level Contingency Options
IRS	Information to the IRS about the universe of borrowers fails.	System failure would compromise the income contingent repayment for borrowers, as the income must be certified by the IRS.	1/3/2000	Low	Low	Low	To mitigate the risk that income information cannot be collected, ED would report the most current information prior to 1/1/2000.	In the case that income information cannot be collected, ED would set up borrowers on a temporary repayment plan until information is available.

Core Business Process V – Repayment and Collection Process**Risk Mitigation and Contingency Options Matrix****Debt Collection Services****Minimum Acceptable Level of Service:**

5 Days

Decomposition of Sub-Process:				Treasury Payment – Electronic payments are made to the treasury for accounts held by DCMS.				
Core Business Process:				Repayment and Collection				
Scenario Section				Business Priority Section			Possible Options	
Failure Source	Threat/Failure Scenario	Impact/End Result	Earliest Failure Date	Impact Priority Rating Rating	Risk Rating		Risk Mitigation Options	High-Level Contingency Options
Treasury	Information to update balances owed to the government fails.	The ability to reflect correct account balances fails. If accounts are not updated correctly, money is taken off from a borrowers' tax refunds, and ED will need to pay back the amount.	1/3/2000	High	Low	Med	None.	In the case that account balances cannot be electronically updated, ED would generate paper reports and add additional resources to key-in the information.

Core Business Process V – Repayment and Collection Process**Risk Mitigation and Contingency Options Matrix****Debt Collection Services****Minimum Acceptable Level of Service:**

60 Days

Decomposition of Sub-Process: U.S. Attorney - Legal action is requested against a borrower.								
Core Business Process: Repayment and Collection								
Scenario Section				Business Priority Section			Possible Options	
Failure Source	Threat/Failure Scenario	Impact/End Result	Earliest Failure Date	Impact Rating	Priority Rating	Risk Rating	Risk Mitigation Options	High-Level Contingency Options
US Attorney	The ability to electronically request legal action fails.	The ability to correctly inform the US Attorney to take action against a borrower fails.	1/3/2000	Low	Low	Low	To mitigate the risk that the U.S. Attorney cannot be informed about legal action that needs to be taken, ED would report the most current information prior to 1/1/2000.	In the case that electronic reports to the Attorney General cannot be made, ED would generate and submit paper reports.

Core Business Process V – Repayment and Collection Process**Risk Mitigation and Contingency Options Matrix****Debt Collection Services****Minimum Acceptable Level of Service:**

30 Days

Decomposition of Sub-Process:				National Student Loan Data System (NSLDS) – The status of delinquent student loans is reported.				
Core Business Process:				Repayment and Collection				
Scenario Section				Business Priority Section			Possible Options	
Failure Source	Threat/Failure Scenario	Impact/End Result	Earliest Failure Date	Impact Priority Rating	Risk Rating		Risk Mitigation Options	High-Level Contingency Options
NSLDS	The ability to transmit information about the status of an account fails.	Accurate account status would not be available through NSLDS.	1/3/2000	Low	Low	Low	To mitigate the risk that the status of delinquent student loans cannot be reported, ED would report the most current information prior to 1/1/2000.	None.

Core Business Process V – Repayment and Collection Process**Risk Mitigation and Contingency Options Matrix****Debt Collection Services****Minimum Acceptable Level of Service:**

30 Days

Decomposition of Sub-Process:				Guaranty Agency – Accounts that were sent to DCMS for a variety of information deficiencies are rejected.				
Core Business Process:				Repayment and Collection				
Scenario Section				Business Priority Section			Possible Options	
Failure Source	Threat/Failure Scenario	Impact/End Result	Earliest Failure Date	Impact Priority Rating	Risk Rating		Risk Mitigation Options	High-Level Contingency Options
Guaranty Agencies	The ability to transmit information about new accounts being assigned fails.	New accounts from agencies would not be added to DCS collection efforts.	1/3/2000	High	Low	Med	To mitigate the risk that new accounts cannot be added to DCS collection efforts, ED would assure that the Guarantee Agencies continue to work accounts until informed by DCS that the account has been accepted.	None.

Core Business Process V – Repayment and Collection Process**Risk Mitigation and Contingency Options Matrix****Debt Collection Services****Minimum Acceptable Level of Service:**

30 Days

Decomposition of Sub-Process:				Borrower References – Borrower contact information is provided.				
Core Business Process:				Repayment and Collection				
Scenario Section				Business Priority Section			Possible Options	
Failure Source	Threat/Failure Scenario	Impact/End Result	Earliest Failure Date	Impact Priority Rating	Risk Rating		Risk Mitigation Options	High-Level Contingency Options
External Entities	The ability to transmit information about borrowers fails.	The ability to contact the borrower fails.	1/3/2000	High	Low	Med	To mitigate the risk that borrower contact information cannot be transmitted, ED would report the most current information prior to 1/1/2000.	None.

Core Business Process V – Repayment and Collection Process**Risk Mitigation and Contingency Options Matrix****Debt Collection Services****Minimum Acceptable Level of Service:**

30 Days

Decomposition of Sub-Process:				U.S. Postal Service – Borrowers’ addresses are matched with U.S. Postal Service data.				
Core Business Process:				Repayment and Collection				
Scenario Section				Business Priority Section			Possible Options	
Failure Source	Threat/Failure Scenario	Impact/End Result	Earliest Failure Date	Business Priority Impact Rating Risk Rating			Risk Mitigation Options	High-Level Contingency Options
US Postal Service	The ability to match addresses with USPS data fails.	A source of information about the location of borrowers would be compromised.	1/3/2000	High	Low	Med	To mitigate the risk that borrowers’ addresses cannot be matched with USPS data, ED would report the most current information prior to 1/1/2000.	None.

Core Business Process V – Repayment and Collection Process

Risk Mitigation and Contingency Options Matrix

Debt Collection Services

Minimum Acceptable Level of Service:

30 Days

Decomposition of Sub-Process:				Department of Education Finance System – Information about refunds to borrowers is provided.				
Core Business Process:				Repayment and Collection				
Scenario Section				Business Priority Section			Possible Options	
Failure Source	Threat/Failure Scenario	Impact/End Result	Earliest Failure Date	Impact Rating	Risk Rating		Risk Mitigation Options	High-Level Contingency Options
EDCAPS	The ability to transmit information about refunds to borrowers fails.	Refunds that are owed to borrowers would not be processed and checks would not be cut.	1/3/2000	Low	Low	Low	To mitigate the risk that borrower refund information cannot be transmitted, ED would report the most current information prior to 1/1/2000.	In the case that borrower refund information cannot be transmitted, ED would generate and submit paper reports.

Core Business Process V – Repayment and Collection Process

Risk Mitigation and Contingency Options Matrix

Debt Collection Services

Minimum Acceptable Level of Service:

30 Days

Decomposition of Sub-Process:				Department of Education policy – Information about the program is provided.				
Core Business Process:				Repayment and Collection				
Scenario Section				Business Priority Section			Possible Options	
Failure Source	Threat/Failure Scenario	Impact/End Result	Earliest Failure Date	Impact Rating	Risk Rating		Risk Mitigation Options	High-Level Contingency Options
Department of Education Management Reporting	The ability to transmit general information about the program fails.	The basis for long- and medium-term management decisions would not be available.	1/3/2000	Low	Low	Low	To mitigate the risk that program information cannot be transmitted, ED would report the most current information prior to 1/1/2000.	In the case that program information cannot be transmitted, ED would generate and submit paper reports.

Core Business Process V – Repayment and Collection Process

Risk Mitigation and Contingency Options Matrix

Debt Collection Services

Minimum Acceptable Level of Service:

30 Days

Decomposition of Sub-Process:				Administrative Wage Garnishment (AWG) employers – Information about borrower is received from employers.				
Core Business Process:				Repayment and Collection				
Scenario Section				Business Priority Section			Possible Options	
Failure Source	Threat/Failure Scenario	Impact/End Result	Earliest Failure Date	Impact Rating	Risk Rating		Risk Mitigation Options	High-Level Contingency Options
External Entities	The ability to receive information from employers about borrowers fails.	The borrower's current employment status with the employer would not be known if there is a change after the failure.	1/3/2000	Med	Undetermined	Med	To mitigate the risk that borrower information cannot be received from employers, ED would use manual workarounds.	None.

Core Business Process V – Repayment and Collection Process

Risk Mitigation and Contingency Options Matrix

Debt Collection Services

Minimum Acceptable Level of Service:

30 Days

Decomposition of Sub-Process:				Direct Loan Serving System (DLSS) interface – Collection accounts for borrowers who are seriously delinquent are received.				
Core Business Process:				Repayment and Collection				
Scenario Section				Business Priority Section			Possible Options	
Failure Source	Threat/Failure Scenario	Impact/End Result	Earliest Failure Date	Impact Priority Rating Rating	Risk Rating		Risk Mitigation Options	High-Level Contingency Options
DLSS	The ability to transmit debts from the Direct Loan Servicing System fails.	New collection accounts from the Direct Loan Servicing System for borrowers who are seriously delinquent would not be available.	1/3/2000	Low	Low	Low	To mitigate the risk that accounts cannot be transmitted from the DLSS, ED would assure that the debts can be serviced by DLSS during an outage of DCS systems.	In the case that accounts cannot be transmitted from the DLSS, ED would request that DLSS continue to service accounts during an outage.

Core Business Process V – Repayment and Collection Process

Risk Mitigation and Contingency Options Matrix

Debt Collection Services

Minimum Acceptable Level of Service:

2 Days

Decomposition of Sub-Process:				Lockbox – Payments to outstanding delinquent balances are collected.				
Core Business Process:				Repayment and Collection				
Scenario Section				Business Priority Section			Possible Options	
Failure Source	Threat/Failure Scenario	Impact/End Result	Earliest Failure Date	Impact Priority Rating Rating	Risk Rating		Risk Mitigation Options	High-Level Contingency Options
Treasury	Adjustment and account research to the payment processes fails.	Certain account adjustment and special information to the payment processing system would not be available.	1/3/2000	High	Low	Med	<p>To mitigate the risk that account adjustment and special information to the payment processing system is unavailable, ED would use manual workarounds.</p> <p>In addition, ED would obtain several Lockbox contracts from other vendors.</p>	In the case that account adjustment and special information to the payment processing system is unavailable, ED would increase resources to manually key-in checks.

Core Business Process V – Repayment and Collection Process

Risk Mitigation and Contingency Options Matrix

Debt Collection Services

Minimum Acceptable Level of Service:

2 Days

Decomposition of Sub-Process:				U. S. Attorney - Payments that are collected from Department of Justice are received.				
Core Business Process:				Repayment and Collection				
Scenario Section				Business Priority Section			Possible Options	
Failure Source	Threat/Failure Scenario	Impact/End Result	Earliest Failure Date	Impact Rating	Priority Rating	Risk Rating	Risk Mitigation Options	High-Level Contingency Options
US Attorney	The ability to collect payments from the DOJ fails.	The current balance and account status would not be available for accounts under litigation or judgement.	1/3/2000	Low	Low	Low	To mitigate the risk that account payments cannot be collected from the DOJ, ED would manually report the accounts going into “paid-in-full” status.	None.

Core Business Process V – Repayment and Collection Process

Risk Mitigation and Contingency Options Matrix

Debt Collection Services

Minimum Acceptable Level of Service:

180 Days

Decomposition of Sub-Process:				PEPS – Information about the closure of a borrower's school is received.				
Core Business Process:				Repayment and Collection				
Scenario Section				Business Priority Section			Possible Options	
Failure Source	Threat/Failure Scenario	Impact/End Result	Earliest Failure Date	Impact Rating	Priority Rating	Risk Rating	Risk Mitigation Options	High-Level Contingency Options
IPOS	The ability to collect information about the status of institutions participating in Title IV programs fails.	Information about title IV eligibility would not be known to DCS. The eligibility for loan forgiveness for closed schools might be compromised.	1/3/2000	Low	Low	Low	To mitigate the risk that information about institution closures cannot be received, ED would assure the most current information prior to 1/1/2000 is available. Note that, currently, this process is largely manual.	None.

Core Business Process V – Repayment and Collection Process

Risk Mitigation and Contingency Options Matrix

Debt Collection Services

Minimum Acceptable Level of Service:

60 Days

Decomposition of Sub-Process:				Perkins – Information about Perkins accounts that are delinquent is received.				
Core Business Process:				Repayment and Collection				
Scenario Section				Business Priority Section			Possible Options	
Failure Source	Threat/Failure Scenario	Impact/End Result	Earliest Failure Date	Impact Priority Rating	Risk Rating		Risk Mitigation Options	High-Level Contingency Options
Schools	The ability to receive information about Perkins accounts fails.	New Perkins accounts would not be available to DCS.	1/3/2000	High	Undetermined	High	To mitigate the risk that Perkins account information is not available, ED would assure that the most current information prior to 1/1/2000 is available.	None.

Core Business Process V – Repayment and Collection Process

Risk Mitigation and Contingency Options Matrix

Debt Collection Services

Minimum Acceptable Level of Service:

60 Days

Decomposition of Sub-Process:				Pell Grant Overpayment/ Defaulted Perkins – Information regarding the overpayment of Pell grants and defaults on Perkins loans is collected.				
Core Business Process:				Repayment and Collection				
Scenario Section				Business Priority Section			Possible Options	
Failure Source	Threat/Failure Scenario	Impact/End Result	Earliest Failure Date	Impact Priority Rating Rating	Risk Rating		Risk Mitigation Options	High-Level Contingency Options
Schools	The ability to collect information about Pell grant and Perkins defaults fails.	New Perkins defaults and Pell Grant overpayments would not be available to DCS.	1/3/2000	High	Undetermined	High	To mitigate the risk that Pell grant overpayment and Perkins default information cannot be collected, ED would assure that the most current information prior to 1/1/2000 is available.	None.

Core Business Process V – Repayment and Collection Process

Risk Mitigation and Contingency Options Matrix

Debt Collection Services

Minimum Acceptable Level of Service:

5 Days

Decomposition of Sub-Process:				Treasury Offsets – Offsets and adjustments are collected.				
Core Business Process:				Repayment and Collection				
Scenario Section				Business Priority Section			Possible Options	
Failure Source	Threat/Failure Scenario	Impact/End Result	Earliest Failure Date	Business Priority Impact Risk Priority Rating Rating			Risk Mitigation Options	High-Level Contingency Options
Treasury	The ability to collect information about amounts offset and adjustments to those offsets fails.	Information about amounts offset and adjustments to those offsets would not be reflected in the DCS balances and systems.	1/3/2000	High	Undetermined	High	To mitigate the risk that offsets and adjustment information is unavailable, ED would submit the most current information prior to 1/1/2000.	In the case that offsets and adjustment information is unavailable, ED would generate and submit paper reports. In addition, ED would send notices to borrowers stating that the balances are incorrect.

Core Business Process V – Repayment and Collection Process

Risk Mitigation and Contingency Options Matrix

Debt Collection Services

Minimum Acceptable Level of Service:

30 Days

Decomposition of Sub-Process:				IRS Income Data – Information about a borrower's income is collected.				
Core Business Process:				Repayment and Collection				
Scenario Section				Business Priority Section			Possible Options	
Failure Source	Threat/Failure Scenario	Impact/End Result	Earliest Failure Date	Impact Priority Rating	Risk Rating		Risk Mitigation Options	High-Level Contingency Options
IRS	The ability to collect information about borrowers' incomes fail.	The ability to set up new borrower accounts and adjust current borrower accounts for income-contingent repayment plans would be compromised.	1/3/2000	High	Undetermined	High	None.	In the case that borrower income information cannot be transmitted, ED would make temporary repayment agreements until IRS data becomes available.

Core Business Process V – Repayment and Collection Process

Risk Mitigation and Contingency Options Matrix

Debt Collection Services

Minimum Acceptable Level of Service:

30 Days

Decomposition of Sub-Process:				ICR Approval – Borrower's income information is requested.				
Core Business Process:				Repayment and Collection				
Scenario Section				Business Priority Section			Possible Options	
Failure Source	Threat/Failure Scenario	Impact/End Result	Earliest Failure Date	Impact Priority Rating	Risk Rating		Risk Mitigation Options	High-Level Contingency Options
IRS	The ability to electronically file a request to obtain borrower's income information fails.	Borrower's income information cannot be electronically requested or obtained.	1/3/2000	High	Undetermined	High	None.	In the case that borrower income information cannot be obtained, ED would make temporary repayment agreements until IRS data becomes available.

Core Business Process V – Repayment and Collection Process

Risk Mitigation and Contingency Options Matrix

Debt Collection Services

Minimum Acceptable Level of Service:

60 Days

Decomposition of Sub-Process:				Department of Defense – Information about a borrower’s federal employment status is matched with DoD data.				
Core Business Process:				Repayment and Collection				
Scenario Section				Business Priority Section			Possible Options	
Failure Source	Threat/Failure Scenario	Impact/End Result	Earliest Failure Date	Impact Priority Rating	Risk Rating		Risk Mitigation Options	High-Level Contingency Options
Department of Defense	The ability to collect the employment status of federal employees fails. (This applies to all federal agencies except the U.S. Postal Service.)	Employment status of federal employees would not be known, and the various federal employee wage deduction programs would be compromised.	1/3/2000	High	Undetermined	High	To mitigate the risk that federal employment status information is unavailable, ED would assure the most current information prior to 1/1/2000 is available.	None.

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Risk Mitigation and Contingency Options Matrix

Debt Collection Services

Minimum Acceptable Level of Service:

90 Days

Decomposition of Sub-Process:				Social Security Administration Death Tape - Information about the death of a borrower with an outstanding balance is obtained.				
Core Business Process:				Repayment and Collection				
Scenario Section				Business Priority Section			Possible Options	
Failure Source	Threat/Failure Scenario	Impact/End Result	Earliest Failure Date	Impact Priority Rating Rating	Risk Rating		Risk Mitigation Options	High-Level Contingency Options
SSA	The ability to collect information about deceased borrowers fails.	The death of a borrower who holds an outstanding account balance would not be known.	1/3/2000	Low	Low	Low	To mitigate the risk that information about the death of a borrower is unavailable, ED would assure that the most current information prior to 1/1/2000 is available.	None.

Core Business Process V – Repayment and Collection Process

Risk Mitigation and Contingency Options Matrix

Debt Collection Services

Minimum Acceptable Level of Service:

5 Days

Decomposition of Sub-Process:				Outside Collection Agencies – Information about contacts with delinquent borrowers and reduction of account balances in the case of a payment is received from outside collection agencies.				
Core Business Process:				Repayment and Collection				
Scenario Section				Business Priority Section			Possible Options	
Failure Source	Threat/Failure Scenario	Impact/End Result	Earliest Failure Date	Impact Priority Rating Rating	Risk Rating		Risk Mitigation Options	High-Level Contingency Options
External Entities	The ability to obtain information about the current status of loans from outside collection agencies fails.	Outside collection agencies' contact with delinquent borrowers or collection of payments would be unknown.	1/3/2000	High	Undetermined	High	To mitigate the risk that information from outside collection agencies is unavailable, ED would assure that the most current information prior to 1/1/2000 is available.	None.

Core Business Process V – Repayment and Collection Process

Risk Mitigation and Contingency Options Matrix

Debt Collection Services

Minimum Acceptable Level of Service:

30 Days

Decomposition of Sub-Process:				Guaranty Agencies – Information for adjustments is provided.				
Core Business Process:				Repayment and Collection				
Scenario Section				Business Priority Section			Possible Options	
Failure Source	Threat/Failure Scenario	Impact/End Result	Earliest Failure Date	Impact Priority Rating	Risk Rating		Risk Mitigation Options	High-Level Contingency Options
Guaranty Agencies	The ability to provide information for adjustments to assignment fails.	Adjustments to assignments are not made.	1/3/2000	High	Undetermined	High	To mitigate the risk that information for adjustments is unavailable, ED would assure that agencies continue to work accounts until they have been informed otherwise.	None.

Core Business Process V – Repayment and Collection Process

Risk Mitigation and Contingency Options Matrix

Debt Collection Services

Minimum Acceptable Level of Service:

60 Days

Decomposition of Sub-Process:				Post Office – Information about a borrower’s employment with US Postal Service is collected.				
Core Business Process:				Repayment and Collection				
Scenario Section				Business Priority Section			Possible Options	
Failure Source	Threat/Failure Scenario	Impact/End Result	Earliest Failure Date	Impact Rating	Risk Rating		Risk Mitigation Options	High-Level Contingency Options
US Mail	The ability to collect information regarding the employment status of borrowers who work for USPS fails.	A borrower’s employment with the USPS could not be verified.	1/3/2000	Med	Undetermined	Med	To mitigate the risk that employment information could not be collected from the USPS, ED would continue to work accounts with the information available.	None.

Core Business Process V– Repayment and Collection Process
Risk Mitigation and Contingency Options Matrix
Direct Loan Servicing System
Minimum Acceptable Level of Service: 30 Days

Decomposition of Sub-Process:				Accounts Receivable / Booking – Accounts are initially set up in the system.				
Core Business Process:				Repayment and Collection				
Scenario Section				Business Priority Section			Possible Options	
Failure Source	Threat/Failure Scenario	Impact/End Result	Earliest Failure Date	Impact Rating	Risk Priority Rating		Risk Mitigation Options	High-Level Contingency Options
DLSS Core Processing	The ability to add new accounts to DLSS processes fails.	New accounts cannot be processed.	1/3/2000	High	Low	Med	To mitigate the risk that new accounts cannot be processed, ED would assure that the most current information is available prior to 1/1/2000.	ED would accumulate data from school disbursement records and enter that data after systems are repaired.

Core Business Process V – Repayment and Collection Process
Risk Mitigation and Contingency Options Matrix
Direct Loan Servicing System
Minimum Acceptable Level of Service: 30 Days

Decomposition of Sub-Process: Billing – Bills are produced and sent to borrowers.				Core Business Process: Repayment and Collection				
Scenario Section				Business Priority Section			Possible Options	
Failure Source	Threat/Failure Scenario	Impact/End Result	Earliest Failure Date	Impact Rating	Business Priority Rating	Risk Rating	Risk Mitigation Options	High-Level Contingency Options
DLSS Core Processing	DLSS cannot produce or send bills to borrowers.	The accrual of interest and the production of bills for borrowers would stop.	1/4/2000	High	Low	Med	To mitigate the risk that bills cannot be produced or sent, ED would assure that the most current information is available prior to 1/1/2000.	ED would send bills to borrowers based on December 1999 loan data until systems are repaired.

Core Business Process V – Repayment and Collection Process
Risk Mitigation and Contingency Options Matrix
Direct Loan Servicing System
Minimum Acceptable Level of Service: 35 Days

Decomposition of Sub-Process:				Payment processing – Payments are received and posted to accounts.				
Core Business Process:				Repayment and Collection				
Scenario Section				Business Priority Section			Possible Options	
Failure Source	Threat/Failure Scenario	Impact/End Result	Earliest Failure Date	Impact Priority Rating Rating	Risk Rating		Risk Mitigation Options	High-Level Contingency Options
DLSS Core Processing	Payments are not applied to borrowers' accounts.	Inaccurate interest will be accrued, and borrowers' accounts will reflect incorrect loan balances.	1/5/2000	High	Low	Med	To mitigate the risk that payments cannot be posted to accounts, ED would assure that the most current information is available prior to 1/1/2000.	ED would create and store borrower payment files. After repairs are completed, the payment record backlog would be worked and the payments would be posted to the system.

Core Business Process V – Repayment and Collection Process
Risk Mitigation and Contingency Options Matrix
Direct Loan Servicing System
Minimum Acceptable Level of Service: 30 Days

Decomposition of Sub-Process:				Account maintenance – Information about the borrower, the balance of the account, and the status of the loan is maintained.				
Core Business Process:				Repayment and Collection				
Scenario Section				Business Priority Section			Possible Options	
Failure Source	Threat/Failure Scenario	Impact/End Result	Earliest Failure Date	Impact Priority Rating	Risk Rating		Risk Mitigation Options	High-Level Contingency Options
DLSS Core Processing	DLSS is unable to maintain current information about a borrower's account.	Current identification information and account activities will not be available. Old account information will not be updated.	1/1/2000	High	Low	Med	To mitigate the risk that account information cannot be maintained, ED would assure that the most current information is available prior to 1/1/2000.	ED would manually log new information and update the system after it is repaired.

Core Business Process V – Repayment and Collection Process
Risk Mitigation and Contingency Options Matrix
Direct Loan Servicing System
Minimum Acceptable Level of Service: 0 Days

Decomposition of Sub-Process:				Borrower contact – Contact with the borrower is maintained.				
Core Business Process:				Repayment and Collection				
Scenario Section				Business Priority Section			Possible Options	
Failure Source	Threat/Failure Scenario	Impact/End Result	Earliest Failure Date	Impact Rating	Priority Rating	Risk Rating	Risk Mitigation Options	High-Level Contingency Options
DLSS Core Processing	The ability to contact or be contacted by the borrower fails.	Information critical to making and receiving payments will not be available to the borrower.	1/1/2000	Low	Low	Low	To mitigate the risk that contact with the borrower cannot be maintained, ED would assure that the most current information is available prior to 1/1/2000.	In the case that contact with the borrower cannot be maintained, ED would make a snapshot of the database before 1/1/2000 and use the information to inform borrowers.

Core Business Process V – Repayment and Collection Process
Risk Mitigation and Contingency Options Matrix
Direct Loan Servicing System
Minimum Acceptable Level of Service: 180 Days

Decomposition of Sub-Process:				Credit Bureaus – Information to reflect the borrower’s account balance is submitted.				
Core Business Process:				Repayment and Collection				
Scenario Section				Business Priority Section			Possible Options	
Failure Source	Threat/Failure Scenario	Impact/End Result	Earliest Failure Date	Impact Rating	Priority Rating	Risk Rating	Risk Mitigation Options	High-Level Contingency Options
Credit Bureau	The ability to report to credit bureaus fails.	The ability to report both debt and satisfaction of debt to national credit bureaus will be lost.	1/1/2000	Low	Low	Low	None.	In the case that debt information cannot be transmitted to the credit bureaus, ED would use existing manual workarounds to deal with individual borrowers whose credit rating are inaccurate.

Core Business Process V – Repayment and Collection Process
Risk Mitigation and Contingency Options Matrix
Direct Loan Servicing System
Minimum Acceptable Level of Service: 180 Days

Decomposition of Sub-Process:				Debt Collection Service interface – Delinquent accounts are submitted to DCS.				
Core Business Process:				Repayment and Collection				
Scenario Section				Business Priority Section			Possible Options	
Failure Source	Threat/Failure Scenario	Impact/End Result	Earliest Failure Date	Impact Rating	Priority Rating	Risk Rating	Risk Mitigation Options	High-Level Contingency Options
DCS	The ability to send delinquent accounts to DCS fails.	The ability to use the collection tools available to DCS (e.g., IRS offset) would be lost.	1/1/2000	Low	Low	Low	None.	In the case that delinquent account information cannot be sent to DCS, ED would continue to work accounts until the interface is functioning.

Core Business Process V – Repayment and Collection Process
Risk Mitigation and Contingency Options Matrix
Direct Loan Servicing System
Minimum Acceptable Level of Service: 180 Days

Decomposition of Sub-Process: School – Information about status of loans is generated.								
Core Business Process: Repayment and Collection								
Scenario Section				Business Priority Section			Possible Options	
Failure Source	Threat/Failure Scenario	Impact/End Result	Earliest Failure Date	Impact Rating	Priority Rating	Risk Rating	Risk Mitigation Options	High-Level Contingency Options
External Entities	The ability to send status information to schools fails.	The status of accounts with renewal borrowing will be affected.	1/1/2000	Low	Low	Low	None.	In the case that account status information cannot be transmitted to schools, ED would respond to requests from schools for delinquency information on specific borrowers.

Core Business Process V – Repayment and Collection Process
Risk Mitigation and Contingency Options Matrix
Direct Loan Servicing System
Minimum Acceptable Level of Service: 180 Days

Decomposition of Sub-Process:				Income Contingent Repayment (ICR) – Income information is requested.				
Core Business Process:				Repayment and Collection				
Scenario Section				Business Priority Section			Possible Options	
Failure Source	Threat/Failure Scenario	Impact/End Result	Earliest Failure Date	Impact Rating	Risk Priority Rating		Risk Mitigation Options	High-Level Contingency Options
IRS	Information to the IRS about the universe of borrowers fails.	The income-contingent repayment options for borrowers would be compromised, as a borrower's income must be certified by the IRS.	1/1/2000	Low	Low	Low	To mitigate the risk that income information cannot be collected, ED would use the most current information prior to 1/1/2000.	In the case that income information cannot be collected, ED would set up borrowers on temporary repayment plans until information is available.

Core Business Process V – Repayment and Collection Process
Risk Mitigation and Contingency Options Matrix
Direct Loan Servicing System
Minimum Acceptable Level of Service: 180 Days

Decomposition of Sub-Process:				National Student Loan Data System (NSLDS) – Information on the status of loan repayment is generated and reported to NSLDS.				
Core Business Process:				Repayment and Collection				
Scenario Section				Business Priority Section			Possible Options	
Failure Source	Threat/Failure Scenario	Impact/End Result	Earliest Failure Date	Impact Priority Rating Rating	Risk Rating		Risk Mitigation Options	High-Level Contingency Options
NSLDS	The ability to generate information about the status of an account fails.	Accurate account status information would not be available through NSLDS.	1/12/2000	Low	Low	Low	To mitigate the risk that account status information is not available through NSLDS, ED would report the most current information prior to 1/1/2000.	In the case that account status information is not available through NSLDS, ED would use other sources, such as borrowers and schools, for address and student status information.

Core Business Process V – Repayment and Collection Process
Risk Mitigation and Contingency Options Matrix
Direct Loan Servicing System
Minimum Acceptable Level of Service: 90 Days

Decomposition of Sub-Process:				Department of Education finance system - Information about the borrower's refund is processed and Direct Loan program accounting information is reported to ED's finance system.				
Core Business Process:				Repayment and Collection				
Scenario Section				Business Priority Section			Possible Options	
Failure Source	Threat/Failure Scenario	Impact/End Result	Earliest Failure Date	Impact Priority Rating Rating	Risk Rating		Risk Mitigation Options	High-Level Contingency Options
EDCAPS	The ability to process information about refunds to borrowers fails.	Refunds that are owed to borrowers would not be processed and checks would not be cut.	1/1/2000	Low	Low	Low	None.	In the case that refund information could not be processed, ED would user other media to provide data to OCFO.

Core Business Process V – Repayment and Collection Process**Risk Mitigation and Contingency Options Matrix****Direct Loan Servicing System****Minimum Acceptable Level of Service:** 180 Days

Decomposition of Sub-Process:				Debt Collection Service interface – Rejected data related to assigning loans to DCS is processed.				
Core Business Process:				Repayment and Collection				
Scenario Section				Business Priority Section			Possible Options	
Failure Source	Threat/Failure Scenario	Impact/End Result	Earliest Failure Date	Impact Rating	Priority Rating	Risk Rating	Risk Mitigation Options	High-Level Contingency Options
DCS	The ability to process collection account information from the Direct Loan Servicing System fails.	New collection accounts from the Direct Loan Servicing System for borrowers who are seriously delinquent would not be available.	1/1/2000	Low	Low	Low	None	In the case that collection account data cannot be processed, ED would ensure that Direct Loans staff continue to work accounts until the interface is functioning.

Core Business Process V – Repayment and Collection Process
Risk Mitigation and Contingency Options Matrix
Direct Loan Servicing System
Minimum Acceptable Level of Service: 90 Days

Decomposition of Sub-Process: National Student Loan Data System – Information about DL borrowers is received.				Core Business Process: Repayment and Collection				
Scenario Section				Business Priority Section			Possible Options	
Failure Source	Threat/Failure Scenario	Impact/End Result	Earliest Failure Date	Impact Rating	Priority Rating	Risk Rating	Risk Mitigation Options	High-Level Contingency Options
NSLDS	The ability to collect information about borrowers from the NSLDS fails.	Address and other maintenance information from the NSLDS would not be available.	1/1/2000	Low	Low	Low	None.	In the case that borrower information cannot be received from NSLDS, ED would use other sources, such as borrowers and schools, for address and student status information.

Core Business Process V – Repayment and Collection Process
Risk Mitigation and Contingency Options Matrix
Direct Loan Servicing System
Minimum Acceptable Level of Service: 30 Days

Decomposition of Sub-Process:				Lockbox – Payments made against a borrower's account are received.				
Core Business Process:				Repayment and Collection				
Scenario Section				Business Priority Section			Possible Options	
Failure Source	Threat/Failure Scenario	Impact/End Result	Earliest Failure Date	Impact Priority Rating Rating	Risk Rating		Risk Mitigation Options	High-Level Contingency Options
Treasury	Adjustment and account research to the payment processes fail.	Certain account adjustment and special information to the payment processing system would not be available.	1/1/2000	Low	Low	Low	None.	In the case that adjustment and special information to the payment processing system is unavailable, ED would use a manual system to enter exceptions.

Core Business Process V – Repayment and Collection Process
Risk Mitigation and Contingency Options Matrix
Direct Loan Servicing System
Minimum Acceptable Level of Service: 210 Days

Decomposition of Sub-Process:				PEPS – Information about the status of institutions participating in Title IV programs is received.				
Core Business Process:				Repayment and Collection				
Scenario Section				Business Priority Section			Possible Options	
Failure Source	Threat/Failure Scenario	Impact/End Result	Earliest Failure Date	Impact Rating	Priority Rating	Risk Rating	Risk Mitigation Options	High-Level Contingency Options
IPOS	The ability to collect information about the status of institutions participating in Title IV programs fails.	Information about Title IV eligibility would not be known to DCS. The eligibility for loan forgiveness for closed schools might be compromised.	1/1/2000	Low	Low	Low	None.	In the case that information about institutions participating in Title IV programs cannot be collected, ED would use manual workarounds.

Core Business Process V – Repayment and Collection Process
Risk Mitigation and Contingency Options Matrix
Direct Loan Servicing System
Minimum Acceptable Level of Service: 30 Days

Decomposition of Sub-Process:				Electronic Debit Account (EDA) – Payments from electronic processes are collected.				
Core Business Process:				Repayment and Collection				
Scenario Section				Business Priority Section			Possible Options	
Failure Source	Threat/Failure Scenario	Impact/End Result	Earliest Failure Date	Impact Rating	Risk Priority Rating		Risk Mitigation Options	High-Level Contingency Options
Treasury or DLSS	The ability to collect payments from borrowers' bank accounts fails.	Automated direct payment would not be available.	1/1/2000	High	Low	Med	To mitigate the risk that electronic payments cannot be received, ED would assure that the most current information is available prior to 1/1/2000 and eliminate any EDA backlog prior to 1/1/2000.	In the case that electronic payments cannot be received or processed, ED would send paper bills to borrowers..

Core Business Process V – Repayment and Collection Process
Risk Mitigation and Contingency Options Matrix
Direct Loan Servicing System
Minimum Acceptable Level of Service: 180 Days

Decomposition of Sub-Process:				IRS income data – Information about borrower's income is received.				
Core Business Process:				Repayment and Collection				
Scenario Section				Business Priority Section			Possible Options	
Failure Source	Threat/Failure Scenario	Impact/End Result	Earliest Failure Date	Impact Rating	Risk Priority Rating	Risk Rating	Risk Mitigation Options	High-Level Contingency Options
IRS	The ability to collect information about borrowers’ income fails.	The ability to set up new borrower accounts and adjust existing accounts for income-contingent repayment plans would be compromised.	1/1/2000	Low	Low	Low	To mitigate the risk that borrowers’ income information cannot be collected, ED would process as many ICR requests as possible prior to 12/31/1999.	In the case that borrowers’ income information cannot be collected, ED would set up borrowers on temporary repayment plans until information is available.

Core Business Process V – Repayment and Collection Process
Risk Mitigation and Contingency Options Matrix
Direct Loan Servicing System
Minimum Acceptable Level of Service: 30 Days

Decomposition of Sub-Process:				Loan Origination / Loan Consolidation (LO/LC) – Information to set up accounts is received.				
Core Business Process:				Repayment and Collection				
Scenario Section				Business Priority Section			Possible Options	
Failure Source	Threat/Failure Scenario	Impact/End Result	Earliest Failure Date	Impact Priority Rating Rating	Risk Rating		Risk Mitigation Options	High-Level Contingency Options
LO / LC	The interface between the loan origination system and the servicing system fails.	No new accounts would be added for the purpose of receiving payments on accounts that are in repayment status.	1/1/2000	High	Low	Med	To mitigate the risk that LO/LC information cannot be received, ED would process all available data early.	ED would accumulate loan data from school disbursement records and enter that data after the interface is repaired.